

February 1, 2018

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer
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Tetsuro Kawamoto, Executive Director
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Notice Concerning Execution of Borrowing of Funds

Samty Residential Investment Corporation (“Samty Residential”) announces that it is executed the new borrowing of funds (the “Borrowing”), announced in “Notice Concerning Borrowing of Funds, Partial Refinancing and Partial Early Repayment of Existing Borrowings” dated January 15, 2018 and “Notice Concerning Borrowing of Funds (Determination of Lenders and Interest rate)” dated January 30, 2018.

1. Details of the Borrowings

(1) Term loan7-A

| | | |
|-----|--------------------------|---|
| i | Lenders | Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., The Kagawa Bank, Ltd., Shinsei Bank, Ltd., The Tochigi Bank Ltd., The Shinwa Bank, Ltd., The Ashikaga Bank, Ltd., The Kagoshima Bank, Ltd., The Kumamoto Bank, Ltd. and The Mie Bank Ltd. |
| ii | Loan amount | 3,200 million yen |
| iii | Interest rate | 0.65545% ^(Note 1) (floating interest rate) |
| iv | Drawdown date | February 1, 2018 |
| v | Principal repayment date | July 31, 2021 ^(Note2) |
| vi | Security | Unsecured and unguaranteed |

(2) Term loan 7-B

| | | |
|-----|--------------------------|--|
| i | Lenders | Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Resona Bank, Ltd., The Shinwa Bank, Ltd., Shinsei Bank, Ltd., The Hyakugo Bank, Ltd., The Minato Bank, Ltd., The Kumamoto Bank, Ltd., The Tochigi Bank Ltd. and The Mie Bank, Ltd. |
| ii | Loan amount | 5,350 million yen |
| iii | Interest rate | 0.70545% ^(Note 3) (floating interest rate) |
| iv | Drawdown date | February 1, 2018 |
| v | Principal repayment date | January 31, 2022 |
| vi | Security | Unsecured and unguaranteed |

Disclaimer: This translation is for informational purposes only. Neither Samty Residential Investment Corporation nor Samty Asset Management Co., Ltd. guarantees the accuracy or completeness of the translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement concerning Execution of Borrowing of Funds by Samty Residential, and has not been prepared as an inducement or invitation for investment. We caution investors to refer to Samty Residential’s prospectus (available in Japanese) and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

(3) Term loan 7-C

| | | |
|-----|--------------------------|--|
| i | Lenders | Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd, Aozora Bank, Ltd., The Higo Bank, Ltd., Fukoku Mutual Life Insurance Company, The Kagawa Bank, Ltd., Shinsei Bank, Ltd., The Dai-ichi Life Insurance Company, Ltd., The Hyakugo Bank, Ltd., Oita Bank Co., Ltd., The Kagoshima Bank, Ltd. and The Kumamoto Bank, Ltd. |
| ii | Loan amount | 5,350 million yen |
| iii | Interest rate | 0.99460% (fixed interest rate) |
| iv | Drawdown date | February 1, 2018 |
| v | Principal repayment date | July 31, 2022 |
| vi | Security | Unsecured and unguaranteed |

(4) Term loan 7-D

| | | |
|-----|--------------------------|---|
| i | Lenders | Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., The Higo Bank, Ltd., Fukoku Mutual Life Insurance Company. |
| ii | Loan amount | 1,500 million yen |
| iii | Interest rate | 1.47558% (fixed interest rate) |
| vi | Drawdown date | February 1, 2018 |
| v | Principal repayment date | January 31, 2025 |
| vi | Security | Unsecured and unguaranteed |

(Note 1) Interest rate applicable for the period from February 1, 2018 to February 27, 2018. The applicable interest rate is one-month JPY TIBOR (base rate) +0.6%. The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date. The relevant 1-month JBA Japanese Yen TIBOR will be available on the website of JBA TIBOR Administration (JBATA) (<http://www.jbatibor.or.jp/english/>).

(Note 2) If the relevant day is not a business day, the business day immediately following the relevant day shall be the date. If the said business day is in the following month, the business day immediately preceding the relevant day shall be the date.

(Note 3) Interest rate applicable for the period from February 1, 2018 to February 27, 2018. The applicable interest rate is one-month Japanese Yen TIBOR (base rate) +0.65%. The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date. The relevant 1-month JBA Japanese Yen TIBOR will be available on the website of JBA TIBOR Administration (JBATA) (<http://www.jbatibor.or.jp/english/>).

2. Status of Borrowings, Etc. after the Borrowing

(Unit: million yen)

| | Before the Borrowing | After the Borrowing | Increase (Decrease) |
|--|----------------------|---------------------|---------------------|
| Short-term loans ^(Note1) | 5,400 | 2,700 | (2,700) |
| Long-term loans ^(Note1) | 22,200 | 40,100 | 17,900 |
| Total borrowings | 27,600 | 42,800 | 15,200 |
| Investment corporation bonds ^(Note2) | 1,000 | 2,000 | 1,000 |
| Sum total of borrowings and investment corporation bonds | 28,600 | 44,800 | 16,200 |
| Other interest-bearing debt | - | - | - |
| Total interest-bearing debt ^(Note2) | 28,600 | 44,800 | 16,200 |

(Note 1) Short-term loans refer to borrowings for which the repayment dates are due in or within one year, and long-term loans refer to borrowings for which the repayment days are due in more than a year.

(Note 2) After the Refinancing indicates the amount after the completion of the efforts announced in "Notice Concerning Borrowing of Funds and Partial Refinancing and Partial Early Repayment of Existing Borrowings" dated January 15, 2018 and "Notice Concerning Issuance of Investment Corporation Bonds" dated January 15, 2018.

*This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

*Samty Residential Investment Corporation website: <http://www.samty-residential.com/en/>

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